

## Shipping central to EU's new Clean Industrial Deal

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The European Union has unveiled its Clean Industrial Deal that will prioritise the domestic production of renewable fuels for aviation and shipping, among a host of measures worth more than EUR100bn (\$105m) designed to green many industry sectors.

“The EU needs to secure access to such materials and reduce dependence on unreliable suppliers. Integrating circularity in our decarbonisation strategy is crucial to making the most of the EU’s limited resources,” the bloc stated in a release.

Contained in the deal is the launch of a new mechanism under the European Hydrogen Bank to de-risk investments in fuels for shipping.

European shipowners strongly welcomed the recognition of shipping under the five sectors across which the Clean Industrial Deal should be implemented.

“Leveraging EU and national ETS revenues is essential to build industrial capacity in Europe and to bridge the immense price gap between conventional and clean fuels that can be up to five times more expensive. In this regard, grants- and auctions-as-a-service mechanisms can help pool national

ETS revenues to support these objectives,” stated a release from the European Community Shipowners’ Associations (ECSA).

“EU member states must use the 9bn of the shipping ETS revenues to support the production of clean fuels. We also urge the commission to cut red tape and ensure an international level playing field,” urged Sotiris Raptis, ECSA secretary-general.

“We’re really pleased to see investments in renewable energy, green hydrogen, and clean transport infrastructure prioritised today,” said Joe Kramek, president and CEO of the World Shipping Council, a liner lobby group.

“If the Clean Industrial Deal is fully realised, it represents an opportunity for Europe to strengthen its position as a global shipping hub. As one of the world’s largest exporters, the EU’s economic power and global influence depend on shipping. However, without the necessary investment and commitment, the EU risks being left behind,” Kramek said.

Faig Abbasov, shipping director at NGO Transport&Environment, said: “The Clean Industrial Deal is a step in the right direction, recognising the essential role that green hydrogen-derived fuels play in decarbonising shipping and aviation. But it lacks essential details on how the EU is going to bridge the price gap between fossil fuels and greener alternatives or address the need for larger and longer term offtake commitments.”

“The Clean Industrial Deal has the makings of a robust blueprint for getting the EU clean and competitive, including in the shipping industry. Cheap energy is the bedrock of industrialisation and instrumental to the green transition, provided cost reductions do not take precedence over decarbonisation,” said Aurelia Leeuw, director of EU policy at the SASHA Coalition, an NGO forging green links between aviation and shipping.